

2003 JLARC Workplan



THE JOINT LEGISLATIVE AUDIT AND REVIEW COMMISSION OF THE VIRGINIA GENERAL ASSEMBLY

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1. JLARC AND ITS WORK PLANNING PROCESS

The Joint Legislative Audit and Review Commission (JLARC) is the oversight arm of the Virginia General Assembly. It was established by the legislature in 1973 to review and evaluate the operations and performance of State agencies and programs (§30-56 to §30-63 of the *Code of Virginia*). Since its establishment, JLARC's responsibilities have grown. These added responsibilities are reflected in the work planning process.

In 1978, the General Assembly expanded the JLARC oversight role by enacting the Legislative Program Review and Evaluation Act (§30-65 to §30-73). The Evaluation Act provides for the periodic review and evaluation of selected topics from among the seven budget functions of State government. It also establishes a process for involving House and Senate standing committees in the Commission's study activities. The authority of the Commission to conduct follow-up studies was clarified and formalized by the 1980 General Assembly (§30-58.2). In 1986, the Evaluation Act was amended to eliminate its sunset provision.

In 1994, the General Assembly passed the Virginia Retirement System Oversight Act (§§30-78 through 30-84). This Act designated JLARC as the legislative agency responsible for carrying out retirement system oversight. The Commission is required by this Act to make certain reports to the General Assembly regarding investments and the actuarial soundness of VRS trust funds. The Commission's retirement system oversight activities are guided by a subcommittee appointed by the Chairman.

JLARC also has statutory responsibility to review internal service fund accounts (§2.2-803) and to periodically review the codified exemptions and exclusions from the Administrative Process Act (§9-6.14:4.1G).

In 1999, language was added to the Appropriation Act to provide JLARC with additional funds to expand the technical support staff of JLARC “to assist with legislative fiscal impact analysis” and “to conduct oversight of the expenditure forecasting process.” A Fiscal Analysis Section was established and staffed in 1999. Funding and language for the section have been continued in subsequent years, including Item 21D of the 2002-2004 Appropriation Act.

In 2001, two measures were passed that mandated JLARC to provide the General Assembly and the Governor with annual reports on State spending. These measures (HB 2865 and HJR 773) require JLARC to study State spending over the past two decades, identify the largest and fastest growing programs, analyze the causes of expenditure growth, and assess various means of

addressing growth in State government. This function is explained more fully in Section 5 of this workplan, which describes Fiscal Analysis Section activities.

The evolution of JLARC's statutory mandates have resulted in a growing set of responsibilities that require both a structured and a flexible work planning process. This document reflects Commission and staff judgment on a feasible schedule of work for 2003.

How the JLARC Planning Process Works

The work planning process is a modified management-by-objective system adapted to serve a small, research-oriented organization like JLARC. The process can be subdivided into three basic steps -- plan preparation and approval, plan control, and plan evaluation.

Plan Preparation and Approval. The JLARC biennial budget and topic selection processes are the foundation for annual workplan preparation. The plan is prepared annually by the Director and the deputy director. Research topics are developed and approved annually by the Commission and the General Assembly. Plan preparation begins after topics have been selected, usually near the end of the legislative session.

The workplan establishes a general framework for defining agency goals and objectives, work activities, a project timetable, and staff assignments for the current year. While there can be substantial overlap in JLARC's work areas, objectives and activities are presented for the ten separate program areas within this plan:

- *Research Plan and Priorities* -- a brief summary of research activities expected during the year including target dates for project completion.
- *Virginia Retirement System Oversight* -- a discussion of the continuing oversight activities and research projects for 2003.
- *Fiscal Analysis Section* -- a discussion of activities of the fiscal analysis section, including expenditure forecasting, fiscal note reviews, and an annual report on State spending trends.
- *Internal Service Funds and Other Ongoing Oversight Activities* -- a discussion of JLARC's responsibilities regarding internal service funds and other areas.

- *Division Management* -- a discussion of work activities carried out within each JLARC research division.
- *Research Methods* -- a listing of work activities to be carried out by the staff methodologist.
- *Information Systems* -- the computer support activities to be managed by the computer resource manager or other relevant staff.
- *Publications* -- a summary of work activities planned by the publications analyst.
- *Business Management and Office Services* -- an outline of administrative and office services activities.
- *Training and Development* -- a discussion of staff training and development planned for the year.

The plan guides work activities during the year. It is used as a basis for communication among the project leaders, the division chiefs, the business manager, the staff methodologist, the publications manager, the deputy director, and the Director. It is also used as an aid in project management and problem identification. The plan may be periodically revised to reflect changes in organizational priorities and needs.

Plan Control. The annual workplan is submitted to the Commission for its review and approval, generally in May of each year. Agency and project managers are provided periodically with information about project scheduling and achievements. Mechanisms for conveying this information include project workplans, weekly planning meetings, monthly planning and project status reports, and personnel time allocation reports.

Weekly planning meetings are held most Monday mornings and feature informal reports on the status of projects and activities. These meetings are used to coordinate activities and to set priorities for administrative support during the week. The staff leadership team -- which consists of the Director, deputy director, division chiefs, business manager, and managers of the publications and methods sections -- outlines a plan of work for the period preceding each Commission meeting. Following most Commission meetings, the Director calls a meeting of the entire staff. At these staff meetings, the Commission meeting is reviewed, plans for ongoing projects are discussed, and items of general interest to the staff are raised.

Periodic meetings may also be held with project leaders and the leadership team. These meetings are a vehicle for keeping key staff members involved in and informed of important items of organizational and project interest. Communication of plan, project, and other work responsibilities is also accomplished by the preparation of project-specific planning documents and overall organizational directives such as the *Research Guide* and *Administrative Manual*.

The leadership team periodically reviews status reports on each of the ongoing research projects. Status reports include such information as the completion date, work phases completed, work accomplished since the last reporting period, and significant report findings. The workplan may be revised from time to time to reflect changes in project scope, status, and priorities.

Time allocation forms are prepared by staff on a weekly basis. These forms are used to track individual and project time and to prepare periodic cost allocation reports when needed.

Plan Evaluation. Four types of outcomes can serve as performance indicators to evaluate the accomplishments of the JLARC workplan:

- *Products* -- studies and reviews produced and reported.
- *Completion of Other Scheduled Activities* -- the extent to which work activities -- such as training, management, and administration -- are effectively completed.
- *Legislative/Executive Utilization* -- (a) the extent to which JLARC reports provide useful information to the General Assembly and executive agencies, (b) the extent to which the legislature and executive agencies implement JLARC recommendations, (c) potential for cost savings accruing to the Commonwealth, and (d) potential for improvements in agency operations and service delivery.
- *Legislative Feedback* -- the extent to which the Commission members, members of the General Assembly, and leadership indicate utilization of the research products and information.

JLARC accomplishments are assessed by follow-up of completed studies and reported biennially in the *Report to the General Assembly*. The last such report was prepared in October of 2001. A 2003 report will be submitted in October of this year.

Evaluation Act Planning and Scheduling

Under the provisions of the Legislative Program Review and Evaluation Act (§30-65 to §30-73), the Commission periodically selects and schedules functional areas of State government for systematic review and evaluation. Commission members also met with staff in June and July of 2002 to direct several new areas for staff review, as well as the continuation of several priority studies earlier designated by the Commission. These areas included:

- New – a study of tax compliance in Virginia. (Study completed in October 2002.)
- New – a review of issues related to the Secretarial (cabinet) system in Virginia State government. (Study completed in October 2002.)
- New – a review of nonproductive programs and special purpose research centers in Virginia's institutions of higher education. (Study completed in November 2002.)
- New – a review of spending on medical supplies and pharmaceuticals by State agencies and universities. (Study completed in December 2002.)
- New – a review of State spending on the State Business Incentive Grant Program. (Study completed in November 2002.)
- New – a review of Virginia's regional health systems agencies. (Study to be reported in June 2003.)
- Continuation – a review of information systems development. This study (begun in 2001 by Commission direction) focused on problems incurred in procuring new information systems for the Commonwealth. (Study completed in December 2002.)
- Continuation – a review of workforce training. (Study was directed by the Commission in 2001 and completed in November 2002.)

Ongoing studies, including other work approved by the Commission and the General Assembly, are discussed more fully in Section 3, Research Plan and Priorities.

2. JLARC GOAL, STRATEGY, AND PERFORMANCE INDICATORS

The JLARC organizational goal and the strategy for implementing it are as follows:

Goal

Ensure that the legislature has a viable and rigorous oversight capability, that the legislature is informed about program operations, that legislative intent is fulfilled by agencies, and that State programs are carried out in an efficient, effective, and economical manner. Specific management and performance objectives include the efficient and effective implementation of the nine program areas detailed elsewhere in this plan.

Strategy

Conduct research, including agency visits and interviews, other appropriate field work, surveys, literature reviews, hearings, and statistical analyses, to produce documents, reports, and briefings which are presented to the Commission, General Assembly, and Governor for review and consideration.

Performance Indicators

Evaluate the accomplishment of JLARC organizational goals and objectives through the use of performance indicators. Achievement of JLARC's goal and strategy is assessed by evaluating the accomplishment of planned activities in the program areas detailed in this plan.

3. RESEARCH PLAN AND PRIORITIES

This segment of the workplan establishes the research plan for 2003. Specific objectives of the research plan are:

- Prepare special studies, reports, and research as requested by the General Assembly or as directed by the Commission.
- Carry out evaluations of selected programs and agencies that are approved for study under the Evaluation Act and the Virginia Retirement System Oversight Act.
- Maintain legislative control of internal service funds, ensuring fund managers have flexibility to operate efficiently and effectively.

Brief summaries of projects scheduled during 2003 are outlined in this section and sections 4, 5, and 6. Research priorities for 2003 are as follows:

PROJECTS TO BE CONCLUDED, CONTINUED, OR INITIATED DURING 2003

Review of Virginia's Regional Health Systems Agencies
Update: Spending Growth in State Government: (Section 5)
2003 Report to the General Assembly (Section 10)
State Funding Formula for Educational Technology
Review of Virginia's Activity in Maximizing Federal Grant Funding
Best Practices for the Support Services of School Divisions
Acclimation of Virginia's Ethnically Diverse Population
Review of the Management of the State's Centralized Vehicle Fleet
Review of Factors and Practices Associated with School Performance
Technical Support: Implementation of JLARC's VDOT Recommendations
Staff Support: HJR No. 159 Study

Ongoing Virginia Retirement System Studies (Section 4)
Ongoing Reviews of General Fund Expenditure Forecasts (Section 5)
Ongoing Internal Service Fund Reviews (Section 6)
Ongoing Inmate Forecast Oversight (Section 6)
Ongoing Debt Capacity Oversight (Section 6)
Ongoing Review of DPB Performance Measures (Section 6)
Periodic Reports of the Fiscal Analysis Section (Section 5)

Review of Virginia's Regional Health Systems Agencies

(Planning date for final briefing: June 2003)

In July 2002, the Commission approved a list of priorities for a series of special studies on options for controlling and reducing State spending. Most of these studies were reported in 2002. (See page 5.) Also included in this list was a study of whether the health systems agencies (HSAs) continue to play an essential role in health planning. The five HSAs assist in the certificate of public need (COPN) process by conducting public hearings and making recommendations to the Commissioner of Health regarding COPN applications in their regions. The HSAs received slightly more than one million dollars in FY 2002 through a combination of general funds, excess COPN application fees, and local government funds. The federal government mandated the creation of regional HSAs in 1973, but Congress repealed this requirement in 1986. Virginia, along with many other states, elected to continue the existence of the HSAs and began providing them with general funds in 1988.

For this review, JLARC staff will determine if the services provided by the HSAs are duplicative of services provided by the Virginia Department of Health, or if the services may be provided more efficiently through a centralized office. In addition, the study will compare the use of regional agencies in the COPN process in Virginia to the use of such agencies in selected other states.

2003 Report to the General Assembly (RGA)

(Planning date: September 2003)

This report is prepared in conformance with Section 30-58.2 of the *Code of Virginia*. The Commission is directed to prepare, at least once each biennium, a report to the full General Assembly that includes a summary of significant actions taken in response to reports and recommendations, as well as any matters pertaining to report topics that may require additional legislative attention. The 2003 RGA will emphasize JLARC studies completed during the previous two to three years.

State Funding Formula for Educational Technology

(Planning date for briefing: September 2003)

Senate Joint Resolution 87 of the 2002 General Assembly session directs JLARC to recommend a State funding formula for educational technology and technology support personnel. While the State already provides some funding for educational technology purposes, improvements in the State's funding approach may be possible. This study will review several technology cost areas and present funding formula options in these areas for the General Assembly's consideration. These areas will include: (i) technology-related

integration and support staffing (ii) technology-related training for instructional staff, and (iii) technology replacement costs and technology-related infrastructure needs. As requested by SJR 87, the study will also examine the use of federal and private sector assistance for educational technology. The final report will be presented in September 2003.

Review of Virginia's Activity in Maximizing Federal Grant Funding

(Planning date for final briefing: October 2003)

In July 2002, the Commission directed staff to review the State's activity in maximizing the receipt of federal grant funding. According to U. S. Census Bureau information, while Virginia has ranked first or second among the states in per-capita overall federal spending since 1995, it has ranked 49th or 50th in per-capita receipt of federal grant awards over the same period. Further, although Virginia was awarded more than \$5.9 billion in federal grant funding in 2001, on a per-capita basis this amount was \$350 less than the national average. As part of this review, the project team will examine grants Virginia has not received and those for which it has received less than the national per-capita average, as well as program restrictions that may limit the State's ability to maximize these amounts. In addition, the study will review the approaches used in Virginia to identify and apply for federal grant funding and compare those to methods used in other states.

Best Practices for the Support Services of School Divisions

(Planning date for briefing: October 2003)

House Joint Resolution (HJR) No. 34 from the 2002 General Assembly requires JLARC to examine best practices for the support services of school divisions in Virginia. Support services include the non-instructional activities that school divisions typically provide, such as administration, attendance and health, pupil transportation, operation and maintenance of buildings and grounds, and food services. The study is currently in the second of two phases. In the first phase, JLARC staff collected over 180 best practice ideas from the school divisions, and identified those practices in an interim report. In the second phase of the review, the impact of best practice use and other factors upon the adequacy, quality, and costs of support services is being examined. To accomplish study objectives, 20 school divisions in different parts of the State are being visited.

Acclimation of Virginia's Ethnically Diverse Population

(Planning date for briefing: November 2003)

House Joint Resolution 604 of the 2003 General Assembly session directs JLARC to study the acclimation of the Commonwealth's ethnically diverse

population. As directed in the resolution, this study will examine: (1) the potential need for State, regional, and local government services to the immigrant populations in the State that are unique or exceed those of the general population; (2) the benefits and costs of the major immigrant populations to the State and its economy; (3) the federal policies and programs affecting Virginia's immigrant populations; and (4) options for local, regional, and State governments to facilitate acclimation of the immigrant populations into the Commonwealth's economy and social fabric. As required by the mandate, the study will identify possible changes in the State's laws and regulations to ensure equal opportunity for all ethnic groups. In conducting the review, the study team will solicit input from leaders of various immigrant populations concerning the problems and challenges they believe their communities face that can be addressed by State or local government actions. The study team will report its findings in November 2003.

Review of the Management of the State's Centralized Vehicle Fleet

(Planning date for briefing: December 2003)

HJR 518 of the 2003 General Assembly session directed JLARC to "study the management of the Commonwealth's centralized vehicle fleet and use of government-owned motor vehicles by state employees." The centralized vehicle fleet consists of approximately 3,700 vehicles, and agencies reimbursed the Department of General Services nearly \$13 million for the use of these vehicles during FY 2002. Management of the Commonwealth's vehicle fleet was transferred from the Department of Transportation (VDOT) to the Department of General Services (DGS) in 2001. VDOT is still responsible for maintaining the vehicle fleet.

For this review, JLARC staff will determine whether the number, types, and quality of fleet vehicles are adequate, and whether fleet vehicles are being used in situations in which mileage reimbursements to state employees may be more cost efficient. In addition, staff will determine whether outsourcing the maintenance of fleet vehicles would be more cost-effective than maintaining the vehicles in-house, and whether leasing vehicles would be more cost-effective than purchasing vehicles. The study will also determine if adequate controls exist to prevent the improper use of state-owned vehicles for personal transportation purposes.

Review of Factors and Practices Associated with School Performance

(Planning date for briefing: December 2003)

Senate Joint Resolution 349 of the 2003 General Assembly session directs JLARC to examine best practices at high-performing schools in the State. The resolution specifically directs JLARC to identify and examine: (1) schools that have performed successfully in meeting the Standards of Accreditation and

have achieved marked improvement in student and school performance; (2) specific demographic and other factors that may influence academic success; (3) practices and demographic information for the best- and poorest-performing school divisions; and (4) successful practices in those high-performing school divisions with marked fiscal or other challenges. This review will have two major components. One component will involve a quantitative analysis of demographic and other factors to assess what factors explain the differences in the level of performance across schools and divisions. The other component will involve a qualitative examination of practices in the best- and poorest-performing schools. The study findings will be reported in December 2003.

Technical Support: Implementation of JLARC's VDOT Recommendations

(Planning dates: As directed or required)

In 2001, JLARC completed studies of the adequacy and funding of VDOT's maintenance program and the equity and efficiency of highway construction and transit funding. House Joint Resolution No. 211 of the 2002 Session establishes a joint subcommittee to study the recommendations and directs JLARC to provide technical Assistance.

Virginia Boards, Commissions, Councils (HJR No. 159): Staff Support

(Planning dates: As directed or required)

House Joint Resolution No. 159 of the 2002 Session establishes a joint subcommittee to study the operations, practices, duties, and funding of the Commonwealth's boards, commissions, councils and other governmental entities in the legislative and executive branches. JLARC is directed to provide staff support. (In addition, the JLARC Fiscal Analysis Section will examine some of the areas included in HJR No. 159 as a component of other mandated study activities.)

SUMMARY

PLANNED 2003 JLARC PROJECT SCHEDULE

<u>Project</u>	<u>Tentative 2003 Commission Briefing Date</u>
2003 JLARC Workplan	May
2003 Auditor of Public Accounts Workplan	May
Impact of 2002 JLARC Studies Report	May
<i>HJR 159 Joint Subcommittee (Staff Support)</i>	May
Review of Virginia's Regional Health Systems Agencies	June
Review of Spending Growth in State Government: Update	June
Internal Service Funds Requests	June
Briefing of Federal Funds Maximization Status Report #1	July
Virginia Retirement System Oversight Reports	July
State Funding Formula for Educational Technology	September
2003 Report to the General Assembly	September
<i>HJR 159 Joint Subcommittee (Staff Support)</i>	September
Best Practices for the Support Services of School Divisions	October
Fiscal Analysis: State Spending Report	October
Federal Funds Maximization Status Report #2 (Final)	October
Acclimation of Virginia's Foreign Born Population	November
<i>HJR 159 Joint Subcommittee (Staff Support)</i>	November
Management of the State's Centralized Vehicle Fleet	December
Factors and Practices Associated with School Performance	December
VRS Semi-Annual Investment Report	December
Technical Support: Implementation of JLARC's VDOT Recommendations	As Directed
Virginia Retirement System – Statutory Oversight	Ongoing
Reviews of General Fund Expenditure Forecasts	Ongoing
Internal Service Fund Reviews	Ongoing
Debt Capacity Oversight	Ongoing
Inmate Forecast Oversight	Ongoing
Review of Performance Measures	Ongoing
Reports of the Fiscal Analysis Section	Ongoing

4. VIRGINIA RETIREMENT SYSTEM OVERSIGHT

The Virginia Retirement System Oversight Act of 1994 authorizes JLARC's oversight function of the Virginia Retirement System (VRS) (§§ 30-78 through 30-84 of the *Code of Virginia*). The Act directs JLARC to oversee and evaluate the Virginia Retirement System on a continuing basis and as directed by the General Assembly.

The objectives of retirement system oversight are:

- Provide timely, accurate information about the retirement system to the General Assembly.
- Assess the appropriateness of the structure of governance for the retirement system and recommend modifications to the structure as necessary.
- Evaluate on a periodic basis the soundness of the retirement system trust funds.
- Evaluate the performance of the VRS investment program and report to the General Assembly on any significant changes in the investment program.
- Evaluate the efficiency and effectiveness of VRS administration and operations.

To implement the retirement system oversight function, the following research activities are planned for 2003.

CONTINUING OVERSIGHT ACTIVITIES

Attend Monthly Meetings of the Board of Trustees and Committees

(Ongoing)

JLARC staff will continue to attend the monthly meetings of the VRS Board of Trustees and the Investment Advisory Committee. Staff may also periodically attend meetings of the following committees of the VRS Board of Trustees: administration and personnel, benefits and actuarial, audit and compliance, and optional retirement plan advisory committee.

Semi-Annual Investment Report

(Planning date for briefings: July 2003 and December 2003)

JLARC staff will continue to monitor and review the VRS investment program. The focus of the review will remain on investment policy and asset allocation, as well as investment performance and risk management. JLARC staff will obtain detailed information concerning these areas through regular attendance at meetings of the VRS Investment Advisory Committee and the VRS Board of Trustees, structured interviews with VRS investment staff, reviews of VRS documents, reviews of documents of other public employee retirement systems, and analysis of secondary sources of investment data.

Update of the Legislator's Guide to the Virginia Retirement System

(Planning date for completion of current updates: July 2003)

The Retirement Oversight Act requires JLARC to publish a Legislator's Guide to the retirement system. The third edition of the Guide was produced in 2002 with the assistance of the staff of the Virginia Retirement System. The updated document was revised to reflect changes in benefit programs since publication of the second edition. The Guide is now published in an on-line format. By automating the Guide, labor and other costs associated with producing hard copies have been reduced. In addition, automation has provided interested parties with convenient access to the Guide and allowed for links to web sites containing legislation, *Code of Virginia* references, and other information. Annual updates to the Guide are planned.

5. FISCAL ANALYSIS SECTION

The Fiscal Analysis Section (FAS) was established in 1999 to assist with legislative fiscal impact analysis and to conduct oversight of the executive branch expenditure forecasting process. The section consists of a section manager, a fiscal analyst, and a fiscal economist (currently vacant). Additional JLARC staff provide support as needed.

During the General Assembly Session, the section focuses on reviewing executive branch fiscal impact statements that are referred to JLARC by committee chairmen. The results of the staff reviews are published in Fiscal Impact Review reports. During the 2003 legislative session, the FAS produced nine Fiscal Impact Reviews. In addition to reviewing fiscal impact statements, the FAS responds to *ad hoc* requests by General Assembly members and other legislative staff, as determined by the JLARC Chairman or Director.

The section has also been assigned responsibility for conducting the annual review of State budget growth, required under HB 2865 from the 2001 General Assembly (now §30-58.3 of the *Code of Virginia*). The section additionally provides oversight of the forecasts that are key to major State programs, including Medicaid, corrections, primary and secondary education, and higher education. Staff may also provide support to other JLARC projects and reviews.

Goals and Objectives

Among the goals and objectives of the FAS is to ensure that the General Assembly has reliable technical support in the areas of legislative fiscal analysis and expenditure forecasting in order to make informed public policy decisions. Other goals and objectives include the following:

- Conduct timely reviews of the fiscal effects of legislation upon request of committee chairmen.
- Evaluate the performance of key executive branch forecasts and their relationship to the Commonwealth's biennial budget, and provide information about these forecasts to the General Assembly.
- Conduct annual assessments of State expenditure growth, as required by §30-58.3 of the *Code of Virginia*.
- Provide staff support to the joint subcommittee appointed in response to HJR 159 from the 2002 General Assembly. This

resolution directs a review of boards, commissions, agencies, and other State entities.

To achieve its goals and objectives, the Fiscal Analysis Section will complete the following activities in 2003.

Review of State Spending Growth: FY 2003 Update

(Planning date for report: October 2003)

The JLARC Fiscal Analysis Section will continue its review of State spending, called for by §30-58.3 of the *Code of Virginia*. The October report will update the June 2002 report by including expenditures and appropriations from FY 2002 and FY 2003 and examining the causes of growth from FY 1981 through FY 2003. The October report will also identify the largest and fastest growing programs and compare the growth to indicators of economic activity (such as inflation) and other factors.

Monitoring Expenditure Forecasts

(Ongoing)

In 2000 and 2001, the Fiscal Analysis Section presented the Commission with an overview of the forecasting methods and procedures used in developing four major “budget driver” forecasts. These four included elementary and secondary education average daily membership (school attendance), higher education enrollment projections, Medicaid expenditures, and the State-responsible felon population. The review found that three of the four forecasts are strongly linked to the State budget (the exception was higher education), and that the four forecasts used to prepare the FY 1999 budget were relatively accurate. The section will continue to review these expenditure forecasts on a regular basis.

Support to Other JLARC Projects

(Ongoing)

Throughout 2003, the Fiscal Analysis Section will provide support to a variety of JLARC projects and reviews. In particular, the section will provide support to JLARC’s review of funding formula options for educational technology and the HJR 159 Joint Subcommittee on Boards and Commissions. Section staff will also provide support to other projects as needed.

6. INTERNAL SERVICE FUNDS AND OTHER ONGOING OVERSIGHT ACTIVITIES

Internal Service Funds

Internal service funds are monitored by JLARC on a continuing basis, pursuant to its authority under § 2.2-803 of the *Code of Virginia*. The Commission reviews the status of fund accounts and evaluates requests to change the nature and scope of the services provided or the customers served. The Commission also approves in advance the rates employed by fund managers for billing customer agencies. Twelve internal service funds are now monitored by JLARC:

1. The Virginia Distribution Center Fund (Department of General Services) funds the procurement and distribution of various goods such as canned foods, paints, paper products, and cleaning supplies to State agencies, local governments, and school divisions.
2. The Office of Graphic Communications Fund (Department of General Services) funds graphic design, layout, photography, and typesetting services provided to State agencies.
3. The Building Operations Program Fund (Department of General Services) funds the rental plan or special maintenance agreements between DGS and entities whose office space is located at the seat of government.
4. The State Surplus Property Operation Fund (Department of General Services) funds the management and disposal of surplus property for State agencies and institutions.
5. The Federal Surplus Property Operation Fund (Department of General Services) funds the acquisition and distribution of federal surplus property.
6. The Consolidated Laboratory Services Fund (Department of General Services) funds the laboratory analyses provided for the Department of Environmental Quality and the Department of Agriculture and Consumer Services; the testing of motor fuels for the Virginia Department of Transportation; and the testing of drinking water samples for public water works.

7. The Real Property Program Fund (Department of General Services) funds the management of transactions involving the sale of State-owned real property.
8. The Bureau of Capital Outlay Management Fund (Department of General Services) funds the review of plans and specifications for capital and non-capital State projects to ensure compliance with the Virginia Uniform Statewide Building Code.
9. The Fleet Management Fund (Department of General Services) funds the operation and management of the State's centralized fleet of passenger vehicles.
10. The Computer Services Fund (Virginia Information Technologies Agency, formerly the Department of Information Technology) funds data processing services to State agencies.
11. The Automated Services Fund (Virginia Information Technologies Agency) funds automated systems design, development, and maintenance services to State agencies.
12. The Telecommunications Services Fund (Virginia Information Technologies Agency) funds telephone and data transmission services to State agencies.

During 2003, the JLARC staff will complete a full review of the fleet management program at DGS as directed by HJR 518. A discussion of the study is included in the Research Plan and Priorities section of this workplan.

In addition, JLARC will monitor the implementation of the information technology reorganization (SB 1247 and HB 1926) to ensure that the three internal service funds in the new agency remain sound. In particular, the Commission will review rates for all services to be provided by the new Virginia Information Technologies Agency (VITA), and JLARC staff will monitor the impact of VITA charges on customer agencies.

The Commission will also consider and act on other rate changes requested by the internal service fund managers at DGS and VITA.

Inmate Forecast Technical Committee

Legislation passed during the 1995 Session (HB 2584) requires the development of a prison population forecast based on a consensus forecasting process. The Act provides for the establishment of a technical forecast group

comprised of representatives from the Department of Corrections, the Department of Criminal Justice Services, the Virginia Criminal Sentencing Commission, the Joint Legislative Audit and Review Commission, and such experts as shall be appointed by the Secretary of Public Safety from the fields of criminal justice, population forecasting, or other appropriate field of study as may be deemed necessary. The Secretary of Public Safety acts as chairman of the technical advisory group. The staff methodologist represents JLARC in reviewing the development of forecast methodologies and alternative forecasts of the State's prison and jail populations.

Debt Capacity Advisory Committee

The JLARC Director is a member of the Debt Capacity Advisory Committee created by the 1994 General Assembly. The Committee is required to review the size and condition of the Commonwealth's tax-supported debt and submit to the Governor and General Assembly an estimate of the maximum amount of new tax-supported debt that prudently may be authorized for the next biennium. If necessary, the Director submits an informational memorandum to the chairs of the money committees.

Review of Performance Measures

Since 1990, the Department of Planning and Budget (DPB) has been developing performance measures for use by Virginia State agencies. The General Assembly has encouraged this effort since the 1992 Appropriation Act mandated a pilot performance measures program. DPB has submitted draft measures to JLARC staff for review and comment. Since 2000, the Appropriation Act has provided that JLARC review and comment on DPB's development of performance measures. HJR 773 of the 2001 Session also required that JLARC assess the use of performance budgeting, measurement, and program evaluation in legislative budgeting.

In 2003, the General Assembly passed and the Governor signed House Bill 2097, the "Roadmap to Virginia's Future." This act provides that each agency develop strategic plan information and "performance measurement results." The act also creates the Council on Virginia's Future and (in Section 2.2-2686 of the *Code*) directs JLARC to provide staff assistance to the Council.

7. DIVISION MANAGEMENT

Research projects are usually assigned to one of two research divisions, each headed by a division chief. Normally, one or more projects will also be assigned to the deputy director, who will carry out the functions of a division chief for those projects. The purpose of division management is to ensure quality products by supporting and monitoring the research and reporting activities of project teams. Division chiefs are responsible for maintaining organizational standards, adherence to deadlines, effective communication, and overall coordination of specific research tasks for each project assigned to the division. Major division chief activities include providing conceptual and research support, evaluating personnel, reviewing products, coordinating organizational resources, substantively editing reports, and carrying out project research and leadership roles when necessary.

The division chiefs accomplish overall goals through a series of objectives and work activities.

Goals and Objectives

- Produce high-quality reports that meet legislative needs for information.
- Promote the development of highly skilled and productive research teams.
- Manage projects to achieve reasonable consistency with work plans, deadlines, and staff resources.
- Support staff development through clearly established objectives, performance evaluation, and training.
- Provide input to the Director on broad organizational issues, and participate in organizational planning.
- Promote clear and accurate communication throughout JLARC for project and personnel management purposes.
- Serve as an effective liaison with legislative committees and subcommittees formed under the Legislative Program Review and Evaluation Act or established for specific projects.

- Provide support to research teams on identifying issues and developing project scope and research workplans.
- Develop and implement a framework for periodic monitoring of team products, processes, and documentation.
- Ensure that teams appropriately secure organizational support in research methods, data processing, and report production.
- Advise teams on effective written and oral presentation of research findings and conclusions.
- Edit reports and briefings, as needed, for substance and style to ensure accurate, clear, and appropriate presentation to various audiences.
- Ensure that legislative committees receive appropriate information and logistical support.
- As necessary, provide project leadership in lieu of team leaders who depart or are otherwise unable to successfully bring a project to closure.

Work Activities

Coordination and management of assigned research staff and projects are the fundamental activities of the divisions. The division chiefs advise their respective teams and monitor products throughout the research and report development process. They also participate in organizational planning, extended project reviews, staff development, and project follow-up activities.

Project Management. Each division chief meets regularly with team leaders and team members for purposes that include concept development, assessment of research and reporting processes and products, and status monitoring. Projects are periodically discussed with the Director.

Extended Review. The extended review process subjects major research products to the rigorous scrutiny of the Director, deputy director, both division chiefs, the staff methodologist, and the publications analyst. The reviews routinely occur at four stages of the research process: (1) pre-scope, (2) scope, (3) workplan, and (4) pre-exposure. At each stage, products are examined for sufficiency of evidence, soundness of conceptualization and recommendations, and clarity of presentation.

Staff Development. Division chiefs participate in the performance appraisal of professional staff. They also provide formal and informal training and technical assistance, as needed, in aspects of project management, team building, research, and reporting.

Legislative Liaison. Division chiefs provide coordination among related projects and serve as a point-of-contact for legislative committees involved with a functional area. As necessary, they facilitate arrangements, transfer information, and perform follow-up activities.

8. RESEARCH METHODS

The Research Methods Section supports teams in developing and carrying out sophisticated evaluations of State programs and agencies. The section members consult with project teams concerning individual project needs and train staff members in the use of research techniques.

The 2003 program establishes the objectives and activities for the coming year.

Goals and Objectives

- Support the conceptualization, design, and implementation of research methods and techniques that produce rigorous and valid results for the General Assembly.
- Develop and implement training activities to enhance staff members' capability to conduct applied research.
- Provide timely advice to team members on research design, statistical methods, and data processing techniques to be used in the research process.
- Develop processes for providing technical assistance and consultation on JLARC studies.
- Provide technical assistance to the Fiscal Analysis Section.

Work Activities

The Research Methods Section actively participates in team-based projects, training, and special projects.

Team Support. The staff methodologist consults with project teams on a day-to-day basis by exploring alternative conceptualizations and designs for studies as well as assisting in implementation of the designs. In 2003, the staff methodologist will also provide a supporting role on the best educational practices and the education technology studies.

Training. Training offers an opportunity to enhance the capability of analysts to conduct research. The staff methodologist assesses the need for methods training and works with the deputy director to develop appropriate

courses. Training activities can take several forms, including multiple-session training courses, workshops, individual tutorials, and informal discussion sessions.

Extended Review. The staff methodologist serves as a member of the extended review team. In addition to a general review of team projects, the staff methodologist has a special responsibility for assessing the sufficiency of methods and analysis. The methodologist also verifies major analytic findings of reports.

Research Guide. The staff methodologist works with the deputy director to update the JLARC *Research Guide*. The *Research Guide* is an evolving reference that is intended to operationally define, formalize, and enhance research activities at JLARC.

9. INFORMATION SYSTEMS SUPPORT

Information systems support is provided by a number of resources within JLARC to assist teams in developing and carrying out increasingly more sophisticated analyses of State programs. Support activities have included consulting with project teams concerning individual project needs as well as training staff members in the use of computers. Information systems support also makes JLARC research products available to the public through maintenance of a World Wide Web site (<http://jlarc.state.va.us>) on the Internet and publication of a CD-ROM. Currently, most in-house information systems support is provided by the Computer Resources Manager and the publications analyst. Other staff also support this function.

Goals and Objectives

- Provide timely advice to team members on information processing techniques to be used in the research process.
- Provide technical assistance and consultation.
- Enhance the capacity for efficient use of all available information processing resources, including personal computers.
- Expand the availability and accessibility of computer resources used by the research staff.
- Provide JLARC research products to the public on the World Wide Web site and through publication of a CD-ROM.

Maintenance of the World Wide Web site involves updating publications lists, adding new reports for downloading, and ensuring that other information is accurate. Other activities for 2003 include publication of new volumes of the JLARC report CD-ROM as additional publications are completed.

10. PUBLICATIONS AND GRAPHICS

The purpose of the Publications and Graphics Section is to assist teams in the development of research reports and briefings, and to produce high-quality publications for use by the General Assembly and executive agencies. The section manager and a part-time assistant carry out the responsibilities of this program area.

The section manager serves on the extended review team, provides appropriate staff consultation in report writing and editing, assists team members in conceiving and developing appropriate graphic materials for projects, creates draft and final graphics as necessary, oversees the preparation of camera-ready copy, oversees in-house and contract printing, maintains the section's desktop publishing and presentation hardware and software, coordinates and finalizes briefing presentations, responds to the audiovisual and photographic needs of the staff, provides design and editorial support for the various JLARC special publications, provides content for the JLARC website, supervises the publications assistant, and serves as project leader for the Commission's biennial *Report to the General Assembly*.

The publications assistant helps lay out and finalize reports for publication and works on special projects as assigned.

The publication program realizes its overall goals within JLARC through a series of objectives and work activities.

Goals and Objectives

- Produce high-quality JLARC publications on a timely basis at a reasonable cost.
- Create high-quality informational graphics to enhance the communication of research findings in reports and briefings.
- Serve as a staff resource in the area of audio-visuals, including film and digital photography, sound and video recording, presentation technology, graphic information systems, and general communications.
- Work in a consultative capacity with team members, team leaders, and division chiefs on matters relating to the formatting, writing, editing, and use of graphics in research projects and other materials.

- Through self-training and systems development activities, maintain an in-house, state-of-the-art desktop publishing and presentation system to meet the organization's publications, presentation, and graphics needs.
- Contribute to the development of publishable research reports by the section manager's participation in each report's extended organizational review.
- Develop training programs such as workshops, style guides, and tutorials to increase the staff's skills in writing, presentations, computer software, and graphics.
- Continue to explore audio-visual and computer resources available for JLARC's use and their application in furthering training, professional development, graphics, presentation techniques, report production, and other appropriate areas.
- Take a lead role in special projects as required by the Director, including ongoing follow-up activities related to the biennial *Report to the General Assembly* (next edition due in Septmeber of 2003).

Work Activities

Report production is the base of the publications section's responsibility. The section meets all of JLARC's needs for graphics and prepares all reports for printing. A variety of other activities related to JLARC's reporting responsibilities are also carried out by the publications section.

Report Production. The publications section prepares all reports for printing as organizational products. The process is comprised of four main phases:

1. *Graphic and Editorial Consultation.* From the time the project is assigned until the report goes into extended review, the research team works directly with the publications section as necessary on the preparation of graphics for report drafts and the briefing. Team leaders may also consult with the section manager concerning matters of composition, format, and editing.
2. *Extended Review.* The section manager participates in every report's extended review process to raise concerns about organization, tone, format, effectiveness of the writing, general content, and graphics.

3. *Editing.* The section manager reviews report drafts for grammar, coherence, format, clarity of content, and stylistic consistency. Consultations are arranged as necessary with the project team members.
4. *Preparation for Printing.* After the team has received the agency responses and made necessary changes to the report, it is given a final review by the section manager. The graphics are finalized, and final format decisions are made. The manuscript is then made camera-ready for printing, reviewed by the team leader and division chief, and approved by the Director. The section manager coordinates with the Division of Legislative Automated Systems and the printer under State contract.

Other Products and Responsibilities. Besides producing final reports, the publications section prepares other final informational products for the organization.

1. *Briefings.* Commission briefings in Senate Room A utilize a state-of-the-art digital projection system. The section manager manages and applies this technology according to the agency's needs, and provides training to analysts on its use. The section manager also coordinates, provides graphic support for, and acts as stage manager for the monthly staff briefings to the Commission.
2. *Special Reports.* The section manager consults with the appropriate staff members to produce special JLARC publications such as the *VRS Oversight Report* and special studies conducted by the fiscal analysis section.
3. *General Communications.* The publications section frequently participates in the review and preparation of agency correspondence, award submissions, surveys, informational briefings about the agency, internal forms and documents, signage, etc.

Publication Training Activities. The section manager provides training activities to impart knowledge and improve skills of JLARC staff. Private writing tutorials and reviews of analysts' early drafts are available upon request. Additional training areas may include informational graphics, advanced word processing, presentation software and hardware, and graphic information systems.

Follow-Up and Reporting Activities. The section manager coordinates efforts to follow up on agency implementation of study recommendations. Consulting with the Director and project leaders, the section manager prepares JLARC's biennial *Report to the General Assembly*. This publication summarizes recent studies and provides follow-up information on selected older studies.

11. BUSINESS MANAGEMENT AND OFFICE SERVICES

The Business Management and Office services section is responsible for the administrative and word processing functions of the office. It is under the general supervision of the deputy director. The business management function includes budgeting, fiscal, personnel and human resource activities, along with general administrative management of the office. The manager of fiscal and administrative services (business manager) oversees the daily operations of the section.

Specific goals, objectives, and work activities for the Business Management and Office Services Section are outlined below.

Goals and Objectives

- Provide a responsive service-oriented function for the office's research mission.
- Execute the budget plan and monitor expenses and receipts for compliance. Monitor and control expenditures for the current year for appropriateness, accuracy, and timely processing.
- Administer the payroll, oversee the timely completion of evaluations, monitor various payroll deductions, and activate salary adjustments.
- Conduct all administrative preparation and follow-up for Commission meetings, including polling of members, duplicating and organizing documents, and drafting meeting minutes.
- Monitor and manage employee leave balances and track project hours and other staff activities through the time allocation system.
- Monitor and control fixed assets and inventory.
- Coordinate human resources and personnel services for the office.
- Administer employee benefit programs and assist staff in their efforts to access current information.
- Maintain the JLARC *Administrative Manual* and inform staff of policy and procedural changes or developments.

- Carry out responsibilities as outlined in the records management policies and procedures, including maintenance of agency archives.
- Ensure that the research staff is provided with accurate and timely document reproduction, word processing, and data entry support.
- Coordinate travel arrangements for research teams in the conduct of fieldwork.
- Assist in preparation for and orientation of new staff members.
- Organize legislative tracking activities.
- Coordinate parking for agency staff.
- Provide opportunities for the support staff to receive training to enhance their capabilities.
- Integrate office logistics and office activities.
- Provide quality phone and reception coverage.

Work Activities

Budgeting. Budgeting activities include establishing and monitoring the budget plan, and processing and controlling expenditures. The current budget year's expenditures will be monitored and controlled to ensure that prompt payment, reporting, and other established guidelines are met. Appropriate budget worksheets will be prepared to ensure expenditures are maintained within the budget limits.

Payroll/Personnel. Required reconciliations will be completed and leave balances will be monitored to ensure accurate payment to employees and proper withholding. The preparation of personnel evaluations will be monitored to ensure timely completion and processing.

Benefits. Many changes have evolved over the past several years with regard to employee benefits, particularly in the area of health care. In order to keep abreast of health care issues and to provide staff with accurate and current information, the section manager will continue to attend benefit administrator meetings. In addition, the section manager will provide information to and assist employees with flexible reimbursement accounts, optional life insurance, long-term care insurance, deferred compensation, savings bonds, and retirement benefits. Throughout the year, the section manager will also assist

employees with updating or changing their health care memberships or plans when qualifying conditions occur. Major changes to the State employee health benefits plan will become effective July 1, 2003. The section will continue to assist with and inform employees about benefit changes related to the Virginia Sickness and Disability Program, Long-term Care, Optional Group Life, and VRS purchase of service. As benefits continue to change and evolve, the section manager will strive to distribute accurate and timely information as well as address staff questions.

Records Management. The records manager, with the assistance of the administrative section, will carry out the responsibilities as outlined in the records management policy.

Revision of Administrative Manual. The manager will distribute revisions on an ongoing basis. As a result of the conversion of the manual to a pdf format, making and distributing updates and changes to the manual has become a more timely and efficient process. In addition, automation of the administrative manual has reduced labor and other costs associated with producing hard copies. The use of automation has also provided staff with convenient desktop access to the manual. By placing the *Administrative Manual* in a pdf format and on the desktop, staff can easily access links to web sites containing additional benefits information and other State and federal policies.

Document Processing. There will be continued involvement with the research staff to promote a steady workflow of material through word processing and data entry assistance. Further, support staff will assist with document reproduction activities.

Phone/Receptionist Services. The section will provide quality phone and receptionist coverage. A comprehensive schedule of phone/receptionist coverage will be prepared on a monthly basis.

Special Activities During 2003. The section plans to continue its efforts to employ the use of automation and technology to improve access to benefits and other human resource information. To the extent possible, the administrative section plans to use web technology to increase access to information concerning State benefit programs and other State policies and procedures. In addition, the section will encourage the use of on-line tools in order to reduce the submission of “hard copy” forms. The section plans to utilize electronic means wherever feasible for the storage and transfer of data and information.

In accordance with the guidelines issued by the Department of Human Resource Management and cognizant of fiscal constraints, the manager will continue to develop employee recognition programs.

12. TRAINING AND DEVELOPMENT

Work activities and project assignments in the training and development program are concerned with staff training and professional development. Personal professional development is largely the responsibility of the individual. Each staff member, in conjunction with his or her supervisor, should assess personal strengths and weaknesses. Action should be taken to build on strengths and address weaknesses. The individual can pursue self-directed study (such as a reading program or computer tutorials), training, university courses, or other options. The training program is coordinated by the deputy director. The program has multiple goals and objectives.

Goals and Objectives

- Maintain an organizational training program that promotes the accomplishment of agency missions and goals.
- Orient new staff to JLARC processes and procedures.
- Provide staff with greater opportunity to grow and succeed within JLARC.
- Strengthen JLARC's approach to organizational and team management.
- Provide staff members with appropriate training and education to improve their work performance and to enhance their capacity for greater responsibility.
- Provide staff with training on presentational skills and techniques.

Training Program

Staff training activities are designed to improve job performance. Job performance can be enhanced through meaningful learning experiences that impart knowledge, improve skills, or change attitudes.

Needs Assessment. An ongoing assessment of training needs will be conducted for the research and administrative staffs. This assessment will be routinely addressed in leadership planning meetings. This assessment may include: consideration of staff requests for training, review of education and training courses already taken by staff, and review of performance reports.

Training Activities. Based on organizational and individual needs, a training program is designed and implemented annually. This program contains appropriate training and education courses aimed at meeting JLARC's overall training and development needs. While the organization will attempt to provide sufficient opportunities for all staff to acquire the skills necessary for advancement, responsibility ultimately rests with the individual. Staff members should be proactive in identifying and addressing their own individual needs. Opportunities for training include:

- JLARC-conducted classes,
- ongoing JLARC tutorials,
- programs conducted by other State agencies,
- limited university tuition reimbursement for pre-approved coursework,
- consultant-conducted classes or programs at JLARC,
- outside seminars and training sessions, including continuing education and skills development classes at State universities and community colleges,
- self-directed reading programs, and
- others as requested and approved.

Training courses will be designed to strengthen staff research, managerial, technical, and human relations skills.

CommonHealth Program

CommonHealth is the State of Virginia's Employee Health Improvement Program provided jointly by the Department of Human Resource Management and Continental Health Promotions, with JLARC staff serving as the agency coordinator. In addition to serving JLARC staff and their families, the JLARC CommonHealth program also makes these services available to staff at several other legislative agencies including the House Appropriations and Senate Finance Committees.

Several CommonHealth programs have been planned for 2003 with topics including: Employee Health and Fitness, Weight Management, Safe Use of Over-the-Counter Medications and Supplements, Diabetes Prevention and

Treatment, and Women's Health. There will also be several employee challenges including: The National Employee Health and Fitness Day, It All Adds Up Virginia, and Diabetes Screenings.

The 2003 schedule also includes a general Medical Screening program where participants' cholesterol levels, blood pressure, heart rate, and behavioral risk factors are assessed. Additionally, other recurring CommonHealth sponsored programs, including Baby Benefits, blood drives, and seasonal immunizations will be available for all JLARC staff and their families throughout the year.

2003 Training Program

Specific activities for the 2003 training program are included in the schedule shown on the following page. Other activities will be added as needed.

2003 TRAINING PROGRAM

Commonwealth Management Institute Training	Bearse
Health Care Benefits for 2003	DHRM, Bishop & Lambert
Statistical Analysis System (SAS)	Gent
Access Training	Brown
Library of Virginia Orientation	Library of Virginia Staff
NCSL Skills Development Seminar	Selected Staff
NCSL/NLPES Programs, Training	Selected Staff
Software training: intermediate and advanced - Access®, Excel®, and Word®	Local colleges and community colleges
Forecasting training	Fiscal analysis staff
Informational Graphics Workshop	Long
Geographic Information Systems Mapping	Selected Staff
Report Formatting Training	Long
Small Purchase Charge Card Training	Bishop
eVA Training	Bishop & Lambert
VRS Quick Access Training	Bishop & Lambert
Lexis Training	Selected Staff
Tracker training	Selected staff

Ongoing

CARS Training	Bishop, Jackson, Lambert
Individual training	As arranged
Software tutorials	Tittermary, DLAS
New employee orientation	Jonas, Staff
Writing and graphic tutorials	Long
CommonHealth activities	Powell
Financial management training	Bishop, Lambert
Retirement System Benefits Training	Bishop, Lambert
Benefits administration training	Bishop, Lambert
Payroll training	Bishop, Lambert